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R. Klemm
Proc I

DECISION



**THE COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D. C. 20548**

FILE: B-190980

DATE: June 7, 1978

MATTER OF: Ventura County, California

DIGEST:

Interior and county entered into agreement whereby county would purchase land deeded to State because of tax delinquency and sell it to Interior for acquisition cost plus administrative costs. Land was redeemed before sale to Interior. County claims reimbursement for administrative costs. There was no contract concerning which party would pay county's administrative costs in event county could not convey title to Interior. Furthermore, Interior is not bound or estopped by agreement to pay acquisition cost plus administrative costs since it would be violative of statute. Reimbursement on quantum meruit basis would not be proper since Interior did not receive benefit from county's services.

The Department of the Interior (Interior) requests our decision concerning the propriety of paying two vouchers submitted by Ventura County, California (Ventura). According to Interior, the basis of the claim is as follows.

Interior had a need for two parcels of land within the Lake Casitas reservoir watershed which were located in Ventura. Both parcels had been deeded to the State of California (State) for delinquent taxes.

Interior entered into an informal agreement with Ventura whereby Ventura would acquire the land from the State and sell it to Interior. Ventura was to be reimbursed for the acquisition cost plus administrative expenses.

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The land was redeemed before Ventura could convey the land to Interior. Nevertheless, Ventura has submitted two vouchers to Interior for various costs it incurred in trying to effect the sale of the land to Interior. The costs consist of legal advertising and tax collector's processing fee (\$219.38) and right-of-way acquisition charges (\$354.64).

Interior states that Ventura firmly believes that Interior agreed to reimburse Ventura for any expenses that it incurred regardless of whether it was able to convey the parcels of land to Interior. Interior, on the other hand, takes the position that there is no authority or justification for Interior to pay Ventura since Ventura cannot convey title to the land because of the redemption.

Section 402(a) of Pub. L. 93-493, 88 Stat. 1486, deals with acquisition of land in the Lake Casitas reservoir watershed area by Interior. It provides in pertinent part as follows: " * * * That any lands owned by the State of California or any political subdivision thereof may be acquired only by donation."

Interior's attempt to purchase the two parcels of land from Ventura, a political subdivision of the State, was clearly a violation of the statutory mandate that such lands be acquired by donation only.

We know of no theory upon which Ventura can recover its administrative expenses. There is no contract between Interior and Ventura whereby the parties agreed that Ventura would be reimbursed for its administrative costs even if it could not convey a fee simple interest in the parcels of land to Interior. Since Interior's agreement expressed in its correspondence with Ventura to reimburse Ventura for its administrative costs was part and parcel of the contract to purchase the land, Interior is not bound or estopped by this agreement. We view the entire contract as a nullity since the

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purchase of land is prohibited by statute and the payment of Ventura's administrative expenses would circumvent the clear intent of the Congress that such lands be acquired by donation from the State or its political subdivisions. Utah Power & Light Co. v. United States, 243 U.S. 389 (1917). Cf. Federal Crop Insurance Corp. v. Merrill, 332 U.S. 380 (1947).

Finally, Ventura cannot recover on a quantum meruit basis because the Government received no benefit from its services. Mobile Crushing Company, Inc., B-181340, July 18, 1974, 74-2 CPD 44.

Based on the foregoing, we find that Interior may not reimburse Ventura for its administrative costs.

R. P. Killian
Acting Comptroller General
of the United States